

## PARTY CITY HOLDINGS INC.

### FCPA, UK BRIBERY ACT AND ANTI-CORRUPTION POLICY

#### I. INTRODUCTION

Corruption violates the public's trust, threatens national and international economic and social development and substantially impedes fair trade. To combat corruption, most, if not all, of the countries in which Party City Holdings Inc. and its respective affiliates and subsidiaries (collectively, "Party City" or "the Company") conduct business have enacted anti-corruption/anti-bribery laws and regulations (hereinafter "anti-corruption laws"). Pursuant to these anti-corruption laws, it is generally a crime to give, pay, or promise anything of value in order to influence an act or decision to obtain, retain, and/or direct business or to secure an improper advantage of any kind. Under some anti-corruption laws, it is also a crime to accept anything of value in such circumstances.

Party City believes in conducting business ethically, honestly and with integrity. It has been and continues to be the policy of the Company to comply with the United States Foreign Corrupt Practices Act (the "**FCPA**") and the UK Bribery Act 2010 (the "**UK Bribery Act**"), as well as the applicable anti-corruption laws of other countries.

Accordingly, the Company has adopted this FCPA, UK Bribery Act and Anti-corruption Policy (the "Policy") with specific focus on the provisions of the FCPA and the UK Bribery Act.

This Policy is not designed to be all encompassing, but it is intended to expand upon the provisions of the Company's Code of Conduct and various applicable Employee Handbooks. This Policy prohibits any activity in support of prohibited practices and gives a basic understanding of the anti-corruption laws in the countries in which the Company does business so that situations arising under color of these anti-corruption laws will be properly identified and the appropriate action taken. If you have any questions about the information contained in this Policy or if you have any questions about a particular business transaction, you should contact a member of the Ethics Committee as discussed below.

#### II. POLICY STATEMENT

It is the unalterable policy of the Company to comply with the provisions of the FCPA, UK Bribery Act and other applicable anti-corruption laws, including as set forth in this Policy.

Compliance with this Policy is mandatory. No director, officer or employee ("Internal Covered Persons"), or business partner (defined below) (collectively, "Covered Persons"), has the authority to act contrary to the provisions of this Policy or to authorize, direct or condone violations of it by any other Covered Person. The term "business partner" is broadly interpreted to cover any third party who is acting for or on behalf of the Company and includes, but is not

limited to, any agent, consultant, distributor, joint venture partner, representative, lobbyist, and, under certain circumstances, lawyer or accountant.

Except as set forth in the Hospitality Guidelines attached hereto as Appendix A, no Covered Person shall offer, promise, make, solicit, receive, or facilitate the making or receipt of, payments or gifts of anything of value of any kind to or from any person, including, but not limited to a foreign official, while knowing or being aware of a high probability that such payments or gifts is or will be used to secure an improper advantage for the Company.

The Hospitality Guidelines specifically outline the very limited circumstances - entertainment, meals, Company promotional items, gifts of a nominal value and other business courtesies - when items of value can be given to or received from third parties. Such entertainment, meals, Company promotional items, gifts of a nominal value and other business courtesies may not be made except in accordance with this Policy, including the Hospitality Guidelines, and unless the Ethics Committee has provided prior, written approval, if such approval is required. Any such properly-approved payments or gifts made or expenses incurred must be documented by receipts, invoices, checks, statements or other similar means.

Furthermore, every officer, employee and agent of the Company is obligated by this and other Company policies, as well as by the FCPA, to keep books, records and accounts that accurately and fairly reflect all transactions and dispositions of Company assets.

Any Covered Person who has knowledge of facts or incidents which he or she believes may be in violation of this Policy has an obligation, promptly after learning of such fact or incident, to review the matter with a member of the Company's Ethics Committee.

Any Internal Covered Person who violates this Policy, who orders another to violate this Policy, or who knowingly permits a subordinate to violate this Policy, will be subject to appropriate disciplinary action. Any violation by a business partner of this Policy, including, but not limited to, ordering another to violate this Policy, or knowingly permitting a subordinate to violate this Policy, shall be deemed a material breach under such business partner's respective agreement with the Company and said violation and breach shall be, among other things, grounds for immediate termination by the Company of such business partner's relationship with the Company.

### **III. THE FCPA**

#### **A. The Anti-Bribery Provisions**

##### **1. Application**

The FCPA's anti-bribery provisions generally apply to U.S. corporations, partnerships and other business organizations, as well as to their foreign subsidiaries and all persons acting on their behalf. The FCPA also applies to any person who violates the FCPA while in the United States.

## 2. Prohibited Practices

The FCPA's anti-bribery provisions prohibit any payment or offer of payment of anything of value to a foreign official for the purpose of influencing that official to assist in obtaining or retaining business or any other advantage for a company.

Important concepts embodied in the FCPA include the following:

- “Anything of value” includes not only cash and cash equivalents, but also gifts, entertainment, accommodations, and anything else of tangible or intangible value.
- A “foreign official” includes any officer or employee of a foreign government (i.e. other than the United States) or governmental department, agency, or instrumentality, and includes any person acting in an official capacity on behalf of a governmental entity. “Foreign official” also includes officers of government-owned corporations (such as housing authorities, oil companies and electric utilities), members and candidates of a foreign political party and the officials of certain public international organizations. Any doubts about whether a particular person is a foreign official should be resolved by assuming that the individual involved is a foreign official for FCPA purposes
- “Obtaining or retaining business or any other advantage” includes, not only the procurement of contracts or sales but also, for example, a reduction in taxes, a favorable change in regulations, tolerance of non-compliance with local rules or other favors or preferential treatment. The business to be obtained or retained does not need to be with a foreign government or foreign government instrumentality in order for the FCPA to apply.
- The FCPA applies not only to payments or offers to pay, but also to any act or event that is “in furtherance of” a payment to a foreign official. Even if an improper payment is not consummated, just offering it violates the FCPA. Likewise it is a violation of the FCPA to instruct, authorize or allow a third party to make a prohibited payment on the Company's behalf, or to ratify a payment after the fact, or make a payment to a third party while knowing or having reason to know that it will likely be given to a government official.

### 3. Exceptions

The FCPA contains two affirmative defenses to a charge of bribery: (1) that the conduct was lawful under the laws of the recipient's country or (2) that the conduct was made as a reasonable and bona fide expenditure directly related to promotional activities (e.g., reasonable travel and lodging expenses on trips to the U.S. to view plants and products). Relying on either of these defenses can be risky and should be done only with prior review and consent by the Ethics Committee.

While the FCPA also contains an exception for payments to expedite or facilitate routine government actions where permitted by local law (i.e. "grease payments"), such facilitation or grease payments are not permitted under the UK Bribery Act (as discussed below). Accordingly, this Policy prohibits all such facilitation or "grease" payments.

#### B. Record Keeping and Internal Controls Provisions

##### 1. Application

The FCPA's accounting provisions generally apply to issuers of registered securities that trade on traditional securities exchanges in the United States, as well as to their subsidiaries.

##### 2. Required Accounting Provisions

The FCPA's accounting provisions require the Company to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets.

The FCPA also requires the Company to devise and maintain a system of internal accounting controls to ensure that: (i) transactions are recorded accurately and in a timely manner and are executed with appropriate authorization; (ii) transactions are recorded in a manner that allows financial statements to be prepared in accordance with generally accepted accounting principles; (iii) access to assets is permitted only in accordance with corporate management's authorization; and (iv) the Company's financial records are tested periodically and appropriate action is taken to repair and improve internal control provisions as needed.

Although improper payments are prohibited by this Policy, in the event that any improper payments are made inadvertently or under exigent circumstances, these transactions must be properly recorded, even if they may be considered a violation of applicable law.

## IV. THE UK BRIBERY ACT

#### A. Application

The UK Bribery Act applies not only to UK citizens, residents and companies, but also to any non-UK company that does business in the UK. A company can be liable for violations committed for its benefit by its directors, officers, employees, business partners or other associated persons. Companies can be prosecuted even if they have no knowledge of the relevant actions. The UK Bribery Act has expansive jurisdiction and a person or company can be prosecuted for acts of bribery that take place anywhere in the world regardless of whether the payment is related to the company's business in the UK.

## B. Prohibited Practices

The UK Bribery Act is a British law that prohibits bribery. It contains four offenses:

- (1) giving, promising or offering a bribe;
- (2) requesting, agreeing to receive, or accepting a bribe;
- (3) bribing a public official; and
- (4) corporate failure to prevent bribery.

A significant difference between the UK Bribery Act and the FCPA is that the UK Bribery Act prohibits all bribery (government, private and commercial), while the FCPA applies only to bribery of government officials or employees of state-owned entities, but not to bribery between private non-governmental entities.

The UK Bribery Act also introduces the further corporate offense of failing to prevent bribery by persons associated with, and for the benefit, of any entity that conducts business in the UK. A company is deemed to have violated this provision when any person associated with the company, including directors, officers, employees, agents or consultants, commit an act of corruption with the intention of obtaining or retaining business or of retaining an advantage in the business of the company.

The corporate failure to prevent bribery offense is one of strict liability and the only defense is for a company to show that it had adequate procedures in place to prevent bribery. Accordingly, all Covered Persons are required to familiarize themselves with this Policy and comply strictly with its provisions, including reporting any anti-corruption concerns to the Ethics Committee.

## **V. Anti-Corruption Laws of Other Countries**

In addition to the United States and the United Kingdom, many other countries have public anti-corruption laws similar to the FCPA and UK Bribery Act. Over 160 countries have signed the Organization for Economic Cooperation and Development (“OECD”), Organization of American States (“OAS”), and/or United Nations (“UN”) conventions on anti-corruption as of the time this Policy was issued. These conventions require signatory countries to enact provisions similar to the FCPA and UK Bribery Act. In addition to the FCPA and UK Bribery Act, the Company is subject to anti-corruption laws of the countries in which it operates, including those countries where its facilities are located and/or incorporated, and of the countries in which their principal offices are located. Both U.S. domestic anti-corruption laws and anti-corruption laws of countries other than the United States apply to corrupt payments to U.S. federal, state, and local government officials by nationals of those countries or anyone in those countries.

## **VI. Penalties**

Penalties for violating either the FCPA or the UK Bribery Act can be severe.

FCPA: Corporations who violate the anti-bribery provisions of the FCPA are subject to (i) criminal fines of up to the greater of \$2,000,000 or twice the amount of the gross pecuniary gain resulting from the improper payment and (ii) civil fines up to \$10,000 per violation. Individuals who violate the anti-bribery provisions are subject to (i) criminal fines up to the greater of \$100,000 or twice the amount of the gross pecuniary gain, imprisonment for up to five years, or both, and (ii) civil fines up to \$10,000 per violation. Violations of the FCPA are not covered by Directors and Officers Insurance policies, and individuals cannot be indemnified by the Company for such violations.

Criminal penalties may be imposed for willful violation of the FCPA’s record keeping and internal controls provisions, including fines of up to \$25,000,000 per offense. For individuals, the penalties can be up to \$5,000,000 in fines and 20 years in prison.

UK Bribery Act: An individual guilty of an offense under the UK Bribery Act faces imprisonment for up to ten years and an unlimited fine. A corporation found guilty of an offense faces an unlimited fine as well as having to repay any illegal profits made from contracts induced by bribery (e.g., if a \$1,000 bribe secures a \$1 million contract, the Company could be required to repay the \$1 million in addition to any fine). In addition to individual liability for direct violations of the bribery provisions, any director or officer of a company who implicitly or explicitly consents to or conspires in a corporate bribery offense can also be guilty of the offense by the company and subject to the above penalties for individuals.

Other countries’ record keeping and internal controls provision also provide for administrative, civil and/or criminal penalties for violations.

## **VII. Compliance with Anti-Corruption Laws and Company Policy**

### **A. Compliance by Internal Covered Persons**

The Company takes its obligations to comply with anti-corruption laws seriously. Accordingly, Internal Covered Persons who fail to follow this Policy and related procedures, whether expressly stated herein or otherwise, may be subject to adverse action, including, where warranted, dismissal or termination of their duties.

### **B. Compliance by Business Partners**

A failure by the Company's business partners to follow this Policy, whether expressly stated herein or otherwise, shall constitute a material breach under such business partner's respective agreement with the Company and shall be grounds for immediate termination by the Company of such business partner's relationship with the Company and related matters.

## **VIII. "Red Flags"**

Certain situations arise that may indicate a potential violation of the FCPA, UK Bribery Act or other anti-corruption laws. The following "red flags" are merely a representative list of the types of transactions that may suggest a potential violation. Covered Persons should always be alert to signs that a transaction is "wrong."

1. **PAYMENTS GREATER THAN "NORMAL".** These may be finders' fees, agents' fees or payment for goods or services which are more than normal.

2. **THIRD-PARTY PAYMENTS.** Payments of money to persons outside the normal scope of the transaction. This includes payments made to accounts or persons in third countries. There may be reasonable explanations for making third-party payments, but such reasons must be documented and approved before such payments are made.

3. **LARGE BONUSES.** Although not inherently illegal, large bonuses which are success-based require careful scrutiny since the recipient of such a bonus may be tempted to share a portion of the bonus with an individual in a position to influence the Company obtaining or retaining business or any other improper advantage in the business of the Company.

4. **OVER-INVOICING.** Invoices that are "padded", higher than normal, or inadequately documented as to products or services delivered or received compared to prices charged or paid can be a sign that money is being siphoned for inappropriate uses. In addition to an auditing concern, such invoices can be a sign of corruption problems as well.

5. **LACK OF STANDARD INVOICES.** Abbreviated, "customized" or non-industry standard invoices can be an indication of efforts to hide or disguise payments for unauthorized

purposes. Insist on standard invoices (and understand what they are), or demand a satisfactory and credible explanation for any variations.

6. **UNUSUAL CREDITS GRANTED TO NEW BUSINESS PARTNERS OR OTHER THIRD PARTIES.** Pre-payments, extensions of credit and cash advances to new and unfamiliar business partners or other third parties must be avoided. Such conditions are sometimes a sign that money must be placed in the hands of local officials before an order can be completed.

7. **CHECKS DRAWN TO “CASH”.** Any transaction that is not adequately documented as to its true commercial purpose could not only indicate a corruption problem, it could also create problems for the Company in regards to its accounting standards and record-keeping obligations. Carefully, clearly and accurately document all payments to or from business partners.

8. **SECRECY.** A request by a business partner that its relationship with the Company be kept secret is a red flag of a potential corruption problem. The Company should avoid doing business with any business partner that requests that its relationship with the Company be kept secret.

9. **SPECIAL RELATIONSHIPS.** Where a business partner has a special relationship to the foreign government, such as if the local party's relatives, partners, owners, principals, or staff members are officials, officers, or representatives of a foreign government or political party or candidates for political office, there is a greater potential for a violation of anti-corruption laws.

## **IX. Selecting Business Partners**

Business partners can be sources of corruption problems. The following checklist provides an illustrative, but not exhaustive, list of sources that can be used to evaluate business partners in foreign jurisdictions:

1. Investigate the business partner's reputation within the community.
2. Conduct a background check, ensuring that all such checks are sufficiently documented.
3. Call the country desk at the U.S. State Department and inquire whether they know the business partner (if they do, make a note of the conversation) and whether the business partner has any history of improper conduct or violations of the FCPA.
4. Call the country desk at the U.S. Department of Commerce and make the same inquiry.
5. Call the commercial attaché of the U.S. Embassy in the foreign jurisdiction and make the same inquiry.
6. Call the commercial office of the foreign country's embassy or consulate in the United States and make the same inquiry.



7. Make sure that the business partner has experience in the business activity for which the business partner is being compensated, including checking references.

A file should be maintained documenting the due diligence efforts undertaken in relation to the retention of each business partner.

All business partners must be identified and selected on the basis of objective and written evaluation criteria, e.g., a partner should be selected on the basis of identifiable commercial and technical competence and not because he or she is the relative of an important government official.

Once a business partner has been selected, it is important that the Company retain control over such party's activities involving the Company. Attached as Appendix B to this Policy is sample contract language that should be used in the Company's standard terms and conditions and/or when the Company engages or compensates a business partner.

#### **X. Membership of the Ethics Committee and contact**

Compliance with the FCPA, UK Bribery Act and other anti-corruption laws demands the attention of each Covered Person. To facilitate compliance, the following procedures will be implemented.

1. The Ethics Committee is comprised of:

James M. Harrison	President and Chief Executive Officer
Michael A. Correale	Chief Financial Officer
Susan K. Schwartz	Vice-President, Internal Audit
Joseph J. Zepf	Vice-President, General Counsel & Secretary

2. The primary contact persons for this policy are the: (i) Chief Financial Officer, Michael Correale (and his successors) along with (ii) Vice-President, Internal Audit, Susan Schwartz (and her successors). Mr. Correale may be contacted by phone at (914) 784-4050 or by email at [mcorreale@amscan.com](mailto:mcorreale@amscan.com). Ms. Schwartz may be contacted by phone at (914) 784-4059 or by email at [sschwartz@amscan.com](mailto:sschwartz@amscan.com).

3. The Company's Director of Human Resources is responsible for distributing copies of this Anti-corruption Policy and any supplemental material that may be provided to all Covered Persons and securing a Compliance Statement, in the form of Appendix C to this Guide, from each Internal Covered Person. The Compliance Statement will provide that the Internal Covered Person has received a copy of this Policy, has reviewed this Policy and agrees to abide by this Policy.

4. The Ethics Committee is responsible for providing advice when questions concerning potential violations of the FCPA, UK Bribery Act or other applicable anti-corruption laws arise and for maintaining copies of the Compliance Statements.

5. The Ethics Committee is to provide advice and guidance to the Company and to take whatever additional steps he or she deems necessary to assure that compliance with the FCPA, UK Bribery Act or other applicable anti-corruption laws is being achieved.

## **XI. Questions and Concerns**

Any Covered Person with a question about how to comply with this Policy should contact the Ethics Committee. Similarly, any Covered Person who believes that the Company or one of the Covered Persons is acting in violation of the FCPA, UK Bribery Act, any other applicable anti-corruption law or regulations or this Policy should report such concerns to the Ethics Committee.

In the alternative, any Covered Person who suspects or becomes aware of any violation of this Policy, may report the suspected violation to the Company's Confidential Hotline:

For Wholesale units/offices: (800) 405 -8943  
[www.tnwinc.com/reportline/amscan](http://www.tnwinc.com/reportline/amscan)

For International units/offices: [www.tnwinc.com/reportline/amscan](http://www.tnwinc.com/reportline/amscan)

For Retail stores/corporate office: (888) 270 -5937  
[www.reportlineweb.com/partycity](http://www.reportlineweb.com/partycity)

## **APPENDIX A**

### **Hospitality Guidelines**

#### **I. Introduction**

All hospitality offered or received on behalf of Party City Holdings Inc. and/or its respective affiliates and subsidiaries (collectively, “Party City” or “the Company”) must be directly related to the Company’s business or otherwise directly in support of the Company’s business interests. Hospitality in all cases must be reasonable in amount, must be offered or received in good faith only in connection with the promotion, demonstration or explanation of company products or services or the execution or performance of a contract with a third party, including a foreign government or agency thereof, and must be lawful under applicable local law. In no event may any hospitality be offered, provided or received in return for any favor or benefit to the Company or its business partners.

*Note:* Frequency of hospitality must be carefully monitored, as the cumulative effect of frequent hospitality may give rise to the appearance of impropriety. Where additional hospitality is anticipated beyond a customary or reasonable amount, the Ethics Committee shall be consulted and prior written approval shall be obtained.

#### **II. Travel Expenses**

All travel expenses provided by the Company to any person, including, but not limited to a foreign government official, including the costs of transportation, lodging, meals and entertainment in connection with business travel, must be reasonable and customary, based on a specific business need and provided in the normal course of business. In addition, all such travel expenses must be permissible under the applicable local laws and regulations and must be limited to what is necessary to meet the business need. Acceptable business needs include plant and store visits and inspections or negotiating contracts with the government.

Unless otherwise provided in these Hospitality Guidelines, in the case of store or plant visits or similar activities by third parties, including, but not limited to foreign government officials, which will involve the Company paying airfare or lodging expenses for such persons, the Company shall send invitations or itineraries, or both, to the invitee(s) to inform them, to enable consultation with superiors, and to afford them the option to decline. The Company also will obtain prior written approval or confirmation from the invitee’s superior or other authorized official or prepare a file memorandum of relevant conversations in this regard. In the case of store or plant visits that are specifically required by the terms of a contract with a customer, prior written approval or confirmation from the invitee’s superior or other authorized official is not required, but all hospitality expenses related to any such visit shall be subject to these Hospitality Guidelines. In no case, will payment or reimbursement be made directly to the individual incurring the expense. Such payment or reimbursement shall be made to the corporation, government or organization involved.

Refreshments, meals or mementos of reasonable value and otherwise in accordance with this Hospitality Guidelines, which are furnished in connection with trade shows, association meetings, official governmental functions, or ceremonial, commemorative or celebratory functions, are permissible. For such events or occasions to which foreign government officials or employees from three or more countries are invited, notification of such events shall be made in writing to the Ethics Committee at least 15 days in advance of such event, or some other reasonable amount of time as circumstances allow. The notification shall generally describe the event, the per person cost of the refreshments, meals and mementos offered, and any other relevant aspects of the event.

### **III. Gifts**

Cash gifts to third parties, including, but not limited to, foreign officials are not permitted under any circumstances. Per diem payments are similarly prohibited, except where expressly provided for in a written contract with a customer. In such case, per diem payments shall be paid strictly in accordance with the contract requirements. Any such payment shall be made by check, rather than cash. Whenever feasible, the check for per diem payments should be made payable to the customer, rather than to any individual. Any such per diem payment shall always be accompanied by appropriate documentation accurately recording the amount and nature of the payment in accordance with the contract requirement.

Unless otherwise provided in these Hospitality Guidelines, product models or pictures of little or no intrinsic value bearing the company logo or other items of small dollar value (less than U.S. \$100) that are distributed for advertising or commemorative purposes are permitted. Gifts valued at \$100 or more must have the prior written approval of the Ethics Committee. Whenever appropriate, a gift should be made to the customer organization, and not to an individual.

Prior written approval by the Ethics Committee is required for any hospitality offered to the spouse and/or children of a customer or business partner, including but not limited to, a foreign official.

## APPENDIX B

### Anti-corruption Contract Provision Language<sup>1</sup>

(a) **[Business Partner]** warrants and represents to the Company that neither **[Business Partner]** nor any of its officers, directors, employees, agents or other representatives has: (i) offered or given, and will not offer or give, directly or indirectly, any bribe or other improper benefit or advantage to any individual (including, but not limited to, a government official) or organization or (ii) demanded or accepted, and will not demand or accept, directly or indirectly, any bribe or other improper benefit or advantage for itself or any individual or organization.

(b) **[Business Partner]** warrants and represents to the Company that: (i) it has received and reviewed a copy of the Company's FCPA, UK Bribery Act, and Anti-Corruption Policy (the Anti-corruption Policy); (ii) **[Business Partner]** and its officers, directors, employees, agents and other representatives agree to abide by such Anti-corruption Policy and the procedures contained therein; and (iii) **[Business Partner]** has not and will not, and none of its directors, officers, employees, agents or other third parties on its behalf have and will not, violate any provision of the United States Foreign Corrupt Practices Act, the UK Bribery Act 2010 or any other applicable anti-corruption or anti-bribery law.

(c) If **[Business Partner]** breaches any of the covenants set forth in clauses (a) – (b) above: (i) this Agreement shall become void; (ii) the Company shall have a right of action against **[Business Partner]** for the amount of any monetary payment or thing of value made or given by **[Business Partner]** in breach of any of such covenants; (iii) all obligations by the Company to pay any fee other compensation to **[Business Partner]** shall cease immediately; and (iv) the Company may at its sole discretion, rescind this Agreement and **[Business Partner]** shall immediately return to the Company any Fee paid to **[Business Partner]** arising from any transaction in violation of clause (a), above. Nothing in the prior sentence shall limit or restrict the Company's other rights arising out of law or equity for any such breach.

(d) In the event **[Business Partner]** or any of its representatives utilizes third parties in connection with performing any activities pursuant to this Agreement, **[Business Partner]** agrees that it shall remain responsible to the Company for its obligations set forth in this Agreement and shall be fully responsible for any act or omission of such representative in violation of this Agreement. Notwithstanding the foregoing, **[Business Partner]** shall obtain a similar written representation from any representative it utilizes in connection with performing any activities or duties pursuant to this Agreement.

(e) **[Business Partner]** agrees that it shall indemnify and hold the Company harmless from and against, any and all losses, damages, penalties, fines, claims, demands,

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<sup>1</sup> These provisions are provided for purposes of guidance and illustration only. Contracts involving the Company's interests in international transactions should always be coordinated with the Company's legal counsel.

lawsuits, expenses, and any other liabilities of any kind arising out of, relating to, or in any way connected with, directly or indirectly, the failure of the undersigned (or any person or entity acting by, through or on its behalf, including, without limitation, any representatives or third parties) to fulfill or comply with any of the obligations and undertakings set forth in Clauses (a)-(d) above.

## APPENDIX C

### **Party City Anti-corruption Policy Acknowledgement**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Location: \_\_\_\_\_

Supervisor: \_\_\_\_\_

I have received and read the Party City FCPA, UK Bribery Act and Anti-corruption Policy (the “***Anti-corruption Policy***”). I am familiar with the Anti-corruption Policy and the related procedures contained therein. I understand the provisions of the FCPA and the UK Bribery Act and the consequences of their violation. I also understand the Party City Anti-corruption Policy prohibits activity in violation of the FCPA, UK Bribery Act, or any other applicable anti-corruption law or regulation, and I agree to abide by such Anti-corruption Policy and the provisions and procedures contained therein.

I understand that my failure to comply with the Party City Anti-corruption Policy would constitute a material breach of my agreements with Party City Holdings Inc., and/or any of its respective affiliates or subsidiaries (collectively, “Party City” or “the Company”) governing the provision of my services to the Company (including, without limitation, any offer letter or consulting agreement) and may result in, among other consequences, the immediate termination by the Company of my relationship with the Company for cause or material breach. I know where a copy of the Anti-corruption Policy is located and to whom I should refer questions should issues or questions arise.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_